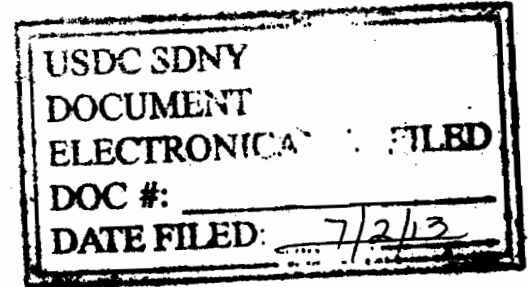


June 20, 2013

To:
United States District Court
Southern District of New York
Clerk of the Court
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, NY 10007-1312



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United States District Court
Southern District of New York

IN RE CITIGROUP INC. BOND LITIGATION

Master File No 08 Civ 9522 (SHS)
ECF Case

OBJECTION TO SETTLEMENT

Objector: Bruce M. Smackey
418 N. Pine Top Circle
Bethlehem, PA 18017
610-952-3341

Bond Class Member - 1500 shares
CUSIP 1731OG202; 6.5% E - TRUPS Citigroup Capital XV

Objector's Signature:

Bruce M. Smackey

Date:

June 20, 2013

Objector has not submitted a written request for exclusion.

Outline

- 1.0 Statement of Bond Class Member's Objection, Specific Reasons and Legal and Evidentiary Support
- 2.0 Documents Proving Membership in Bond Case
- 3.0 Filing of Request for Notice of Appearance at Settlement Fairness Hearing on July 23, 2013 at 10:00 AM
- 4.0 Summary Recommendations to the Court

1.0 Statement of Bond Class Member's Objection, Specific Reasons and Legal and Evidentiary Support

As stated in NOTICE any Bond Class Member who does not request exclusion may object to

- (i) the Settlement
- (ii) the proposed Plan of Allocation
- (iii) Bond Counsel's motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses

The above three components of the Bond Litigation and the proposed action to be taken by the Settlement Fairness Hearing are interdependent; however, this filed Objection pertains only to the above (i) and (iii).

The Settlement

With respect to (i) the Settlement, there is a complete lack of transparency in the methodology and reasonableness used in the determination of the cash payment of \$730,000,000 by Citigroup for the benefit of the Bond Class. This lack of transparency is manifested by (1) a reading of both the NOTICE, as well as the lengthy set of documents at www.citigroupbondactionsettlement.com; (2) a complete lack of communication by Merrill Lynch/Bank of America to the Objector about the litigation and (3) the non-responsiveness by Bond Counsel to repeated calls made by Objector.

Without transparency the \$730 Million cash payment is not accepted by the Objector when compared to the following relevant sums:

- (a) \$1.1 Billion and 44,000,000 shares for just Citigroup Capital XV 6.5% Enhanced Trust Preferred Securities [E-TRUPS];
- (b) \$27.5 Billion total for public and private preferred securities; \$25 Billion in preferred securities held by U.S. Treasury – amounting to \$52.5 Billion in aggregate;
- (c) \$326 Billion advanced to Citigroup by U.S. Government.

This case is a securities class action that asserts claims arising under the Securities Act and is based on alleged misrepresentations in the Offering Materials of 48 public offerings by Citigroup. In addition, Merrill Lynch's placing its fiduciary and custodian responsibility to its client (Objector) subservient to its own interests contributed significantly to shareholder damages. This complicity extends beyond Merrill Lynch's role as a lead underwriter in the initial offerings and for Merrill Lynch's scrutinizing the Offering Materials.

To wit the Registration Statement filed by Citigroup for the March 2009 Exchange Offer was a "red flag" that required Merrill Lynch to investigate the gravity of riskiness faced by Citigroup. Merrill Lynch should have sufficiently investigated the necessity for the Exchange Offer in order to have clarity in presenting alternatives to Merrill Lynch clients and shareholders of the preferred.

Additional Evidentiary Support for this Objection is displayed in the attached Exhibit [A] and Exhibit [B].

Exhibit [A] provides the Court with a Chronological Order of Events and highlights the significance of the EXCHANGE OFFER embedded in Merrill Lynch and Bank of America's own set of Securities Act misdeeds.

Exhibit [B] provides the Court with Historical Data of Common and Preferred Share Prices and Volumes ---data that could have been uncovered in the discovery process and used to determine the magnitude of gains realized by the defendants at the expense of shareholders.

Bond Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses

In Court Documents, reference is made of the 42.5 Million pages which have been reviewed and cited in the following sections:

E. Bond Plaintiffs Conduct Extensive Discovery and Motion Practice

E.1 Bond Plaintiffs Efforts in Document Discovery

E.5 Bond Plaintiffs Efforts in Deposition Discovery

E.6 Bond Plaintiffs Efforts in Expert Discovery

No specifics have been included to justify the approximate \$293 Million award for attorneys' fees and reimbursement of litigation expenses – a projected 40% out of a total \$730 Million cash settlement.

Hours spent times billing rates is a calculation not a justification. A reading of 42.5 million pages could be expected to require at least 300 million minutes. An attorneys' fees award of \$150 million would mean that attorneys performed their discovery at an hourly rate of \$30 or conducted a very superficial discovery process.

Key questions that should be asked and answered at the Hearing are:

- (1) How were attorneys' efforts used to determine the fairness and reasonableness of the \$730,000,000 figure for the proposed cash settlement?
- (2) Did attorneys conclude that the likelihood of attorneys' fees larger than \$300 million for any additional effort was unlikely to be awarded? Thus the proposed Settlement was not driven by what was fair and justified for the Plaintiffs, but was reached in the best interests of the attorneys who are co-located at the same 1285 Avenue of the Americas address.

2.0 Documents Proving Membership in Bond Case

(See attached Merrill Lynch internal documents for client's retirement account, purchase history of preferred shares and sales of all E-TRUPS/XV preferred shares.)

3.0 Filing Request for Notice of Appearance at Settlement Fairness Hearing on July 23, 2013 at 10:00 AM

The Objector is willing to come to the Hearing and present this Objection orally should the Court deem it advisable for the Court's judging the fairness and reasonableness of the Settlement.

4.0 Summary Recommendation to the Court

Within the NOTICE, [the Proposed Plan of Allocation and the Calculation of Specific Recognized Loss or Gain Amounts] is contained a modified methodology that is fair and reasonable to overcome OBJECTION (i) and (iii) described above.

The Objector proposes to the Court the following:

Objection [i]

A. The Settlement cash amount to Plaintiffs is set at the total of all approved claims submitted in the Proof of Claim and Release Form and the respective amounts be distributed to Defendants.

Objection [iii]

B. Based on the Hearing, the Court should fix the total amount to be awarded for attorneys' fees and reimbursement of litigation expenses and this amount be paid directly by Defendants above the amount determined in A.

Citigroup and Merrill Lynch are not in bankruptcy nor is this case a bankruptcy proceeding where very limited assets would be distributed to the Plaintiffs. Full restitution to the Plaintiffs awarded by the Court would be fair, reasonable, financially feasible and an exemplary action by the Court.

CHRONOLOGICAL ORDER OF EVENTS-----EXHIBIT [A]

| <u>DATE</u> | <u>EVENT</u> |
|-------------|---|
| 9/7/2006 | Citigroup Prospectus;Public Offering @\$25,\$1.1 B;44MM shs--Capital XV 6.5% E-TRUPS Underwriter Merrill Lynch purchases 6,196,666 shs |
| 2/13/2008 | 600 shs purchased by client [objector] on recommendation of ML for client's retirement account held by ML as custodian |
| 5/21/2008 | 900 additional shs purchased by client on recommendation of ML |
| 9/14/2008 | Bank of America buys ML |
| Nov-08 | US Government extends \$326 B to Citigroup |
| 2/27/2009 | Citi announces EXCHANGE OFFER for \$27.5B of preferred from private and public shrhlders and \$25B from US Treasury |
| 7/10/2009 | ML advises client that only alternatives under EXCHANGE OFFER are [1] accept EXCHANGE OFFER or [2] sell all 1500 shs the client sells all shs as the client was not told that holding shs was an alternative |
| 7/24/2009 | Table A of NOTICE states Conversion/Call/Redemption Price at \$19.95 |
| 4/16/2013 | Citigroup Capital XV shs called @ \$25.00 per share |

HISTORICAL DATA of COMMON and PREFERRED SHARE PRICES and VOLUMES EXHIBIT [B]

| <u>PRICES</u> | | | | | | | | |
|-------------------|---------------|-----------------|--------------|--------------|--------------|-------------|--------------|--------------------------|
| Common | \$200{6/2008} | \$100{10/2008} | \$75{1/2009} | \$50{1/2011} | \$50{6/2013} | | | |
| Preferred | \$25{12/2006} | \$22{2/2008} | \$18{6/2008} | \$14{9/2008} | \$8{2/2009} | \$5{4/2009} | \$19{7/2009} | \$25{4/16/20013--CALLED} |
| VOLUMES/PREFERRED | | 100,000{2/2008} | | 4MM{2/2009} | | 4MM{7/2009} | | |



TOTAL MERRILL

Online at: www.ml.com

Account Number: [REDACTED]

24-Hour Assistance: (800) MERRILL

MLPFA S CUST FPO
BRUCE SMACKEY BASIC
FBO BRUCE M SMACKEY
418 N PINE TOP CIR
BETHLEHEM PA 18017-1861

Net Portfolio Value: \$686,061.18

Your Financial Advisor:
WILLARD F JONES
7424 WINDSOR DR
ALLEN TOWN PA 18106
willard_f_jones@ml.com
(877) 398-4239

RETIREMENT ACCOUNT

July 01 2009 - July 31 2009

ASSETS

| | July 31 | June 30 |
|----------------------------|---------------------|---------------------|
| Cash/ Money Accounts | 28,328.94 | 4,559.93 |
| Fixed Income | 348,799.93 | 364,719.51 |
| Equities | 133,895.00 | 122,644.36 |
| Mutual Funds | 173,794.30 | 162,899.22 |
| Options | - | - |
| Other | - | - |
| Subtotal (Long Portfolio) | 684,808.17 | 654,823.02 |
| Estimated Accrued Interest | 1,253.01 | 835.17 |
| TOTAL ASSETS | \$686,061.18 | \$655,658.19 |

LIABILITIES

| | |
|----------------------------|---------------------|
| Debit Balance | - |
| TOTAL LIABILITIES | - |
| NET PORTFOLIO VALUE | \$686,061.18 |

CASH FLOW

| | This Statement | Year to Date |
|------------------------------------|----------------|--------------|
| Opening Cash/ Money Accounts | \$4,559.93 | |
| CREDITS | | |
| Funds Received | - | 31,000.00 |
| Electronic Transfers | - | - |
| Other Credits | - | 0.27 |
| Subtotal | - | 31,000.27 |
| DEBITS | | |
| Electronic Transfers | - | - |
| Other Debits | - | (150.00) |
| Subtotal | - | (150.00) |
| Net Cash Flow | - | \$30,850.27 |
| Dividends/ Interest Income | 1,164.32 | 18,600.09 |
| Dividend Reinvestments | (329.30) | (1,610.20) |
| Security Purchases/ Debits | - | (120,481.30) |
| Security Sales/ Credits | 22,933.99 | 41,610.10 |
| Closing Cash/ Money Accounts | \$28,328.94 | |
| Securities You Transferred In/ Out | - | (30.51) |

10:46 06/03/13 PG 1

FWR PRC

FINANCIAL CONSULTANTS
SECURITY DETAILCOB 06/01/13
FC:5056

ACCT: 838-89178 BRUCE SMACKEY BASIC

DESC: CITIGROUP CAP TRUST XV SYM: 52GY3

TRUST PFD SECS

CURR POS:

QRQ: SEC NO: 52GY3

06.500% SEP 15 2066

CURR PX: 24.9688

MKT VAL:

STRATEGY: TECH:

| DATE | TYPE | SOL | QTY | PRICE | NET AMOUNT | COMMENT |
|----------|------|-----|--------|---------|------------|---------|
| 07/10/09 | SLD | N | 1,500C | 15.5000 | 22,933C | |
| 05/21/08 | BOT | | 900 | 21.7000 | 19,933 | |
| 02/13/08 | BOT | | 100 | 23.4400 | 2,382 | |
| 02/13/08 | BOT | | 300 | 23.4500 | 7,133 | |
| 02/13/08 | BOT | | 200 | 23.5400 | 4,773 | |

TOTAL BUYS 1,500

TOTAL DEBITS

TOTAL SELLS 1,500

TOTAL CREDITS

FOR INFORMATION PURPOSES ONLY - ACCOUNT STATEMENT IS OFFICIAL RECORD
THIS INFO MUST NOT BE USED IN PLACE OF THE MERRILL LYNCH TAX REPORTING
STATEMENT FOR TAX INFORMATION.

<END>

| | | | | | | | |
|----------------------------|-----|-------|-------|--------|---------|-------------|-----------|
| Quantity | 100 | Price | 23.44 | Amount | 2344.00 | Trade Date | 02/13/08 |
| Processing Fee | | | | | 5.35 | Settle Date | 02/19/08 |
| Transaction Fee | | | | | | ML Symbol | C PRU |
| Accrued Interest/Dividends | | | | | | Security # | 52GY3 |
| Charge or Mark Up/Down | | | | | 32.79 | Cusip # | 17310G202 |
| | | | | | | FA # | 4966 |

CALLABLE-MAY AFFECT YIELD DETAILS UPON REQUEST PX LESS INT 23.184700 ACCRUED
INT 27.53 EXECUTED 100PC NYSE 061 DAYS INTEREST ML ACTED AS AGENT

SEE ABOVE FOR TRANSACTION DETAILS

BOUGHT CITIGROUP CAP TRUST XV TRUST PFD SECS 06.500% SEP 15 2066

| | | | | | | | |
|----------------------------|-----|-------|-------|--------|---------|-------------|-----------|
| Quantity | 300 | Price | 23.45 | Amount | 7035.00 | Trade Date | 02/13/08 |
| Processing Fee | | | | | | Settle Date | 02/19/08 |
| Transaction Fee | | | | | | ML Symbol | C PRU |
| Accrued Interest/Dividends | | | | | | Security # | 52GY3 |
| Charge or Mark Up/Down | | | | | 98.36 | Cusip # | 17310G202 |
| | | | | | | FA # | 4966 |

CALLABLE-MAY AFFECT YIELD DETAILS UPON REQUEST PX LESS INT 23.174667 ACCRUED
INT 82.80 EXECUTED 100PC NYSE 061 DAYS INTEREST ML ACTED AS AGENT

SEE ABOVE FOR TRANSACTION DETAILS

BOUGHT CITIGROUP CAP TRUST XV TRUST PFD SECS 06.500% SEP 15 2066

| | | | | | | | |
|----------------------------|-----|-------|-------|--------|---------|-------------|-----------|
| Quantity | 200 | Price | 23.54 | Amount | 4708.00 | Trade Date | 02/13/08 |
| Processing Fee | | | | | | Settle Date | 02/19/08 |
| Transaction Fee | | | | | | ML Symbol | C PRU |
| Accrued Interest/Dividends | | | | | | Security # | 52GY3 |
| Charge or Mark Up/Down | | | | | 65.57 | Cusip # | 17310G202 |
| | | | | | | FA # | 4966 |

CALLABLE-MAY AFFECT YIELD DETAILS UPON REQUEST PX LESS INT 23.264650 ACCRUED
INT 55.07 EXECUTED 100PC NYSE 061 DAYS INTEREST ML ACTED AS AGENT

SEE ABOVE FOR TRANSACTION DETAILS

BOUGHT CITIGROUP CAP TRUST XV TRUST PFD SECS 06.500% SEP 15 2066

| | | | | | | | |
|----------------------------|-----|-------|-------|--------|----------|-------------|-----------|
| Quantity | 900 | Price | 21.70 | Amount | 19530.00 | Trade Date | 05/21/08 |
| Processing Fee | | | | | 5.35 | Settle Date | 05/27/08 |
| Transaction Fee | | | | | | ML Symbol | C PRU |
| Accrued Interest/Dividends | | | | | | Security # | 52GY3 |
| Charge or Mark Up/Down | | | | | 398.03 | Cusip # | 17310G202 |
| | | | | | | FA # | 4966 |

EXECUTED 100% AGENCY CALLABLE-MAY AFFECT YIELD DETAILS UPON REQUEST PX LESS
INT 21.388544 ACCRUED INT 280.31 EXECUTED 100PC NASDAQ 069 DAYS INTEREST
ML ACTED AS AGENT

SEE ABOVE FOR TRANSACTION DETAILS

Payment for securities or other investment purchased, and delivery of securities or other investments instruments sold, are due on SETTLEMENT DATE unless otherwise indicated by a DATE DUE. Delivery on or before settlement date will avoid premium charges. Please preserve this confirmation for income tax purposes. If submitting payment or correspondence, please write your account number, shown on the bottom of this page, and forward to "Merrill Lynch Office Serving your Account", shown on top right of page 1. If you have moved or plan to move, notify your Financial Advisor of your new address.

P.O. Box 2044
Lakewood, NJ 08701

 **TOTAL MERRILL™**

Merrill Lynch
Office Serving Your Account
7424 WINDSOR DRIVE
ALLENTOWN PA 18106-9304
(610) 398-4200

TO THE HOUSEHOLD OF:
ARDETH M SMACKEY
418 N PINE TOP CIR
BETHLEHEM PA 18017-1861

MLPF & S CUST FPO
BRUCE SMACKEY BASIC
FBO BRUCE M SMACKEY
418 N PINE TOP CIR
BETHLEHEM PA 18017

TRADE CONFIRMATIONS FOR THE FOLLOWING ACCOUNTS INCLUDED IN THIS PACKAGE:

838-89178

MLPF & S CUST FPO
BRUCE SMACKEY BASIC
FBO BRUCE M SMACKEY
418 N PINE TOP CIR
BETHLEHEM PA 18017

Account Number 

TRADE CONFIRMATION

Date: July 10, 2009

We confirm the following transaction(s) subject to the agreement below.

SOLD CITIGROUP CAP TRUST XV TRUST PFD SECS 06.500% SEP 15 2066

| | | | | | | | |
|----------------------------|------|-------|-------|--------|----------|-------------|-----------|
| Quantity | 1500 | Price | 15.50 | Amount | 23250.00 | Trade Date | 07/10/09 |
| Processing Fee | | | | | 5.35 | Settle Date | 07/15/09 |
| Transaction Fee | | | | | 0.60 | ML Symbol | C PRU |
| Accrued Interest/Dividends | | | | | | Security # | 52GY3 |
| Charge or Mark Up/Down | | | | | 310.06 | Cusip # | 17310G202 |
| | | | | | | FA # | 4966 |

EXECUTED 100% AGENCY CALLABLE-MAY AFFECT YIELD DETAILS UPON REQUEST PX LESS
INT 15.384580 ACCRUED INT 203.13 030 DAYS INTEREST UNSOLICITED ORDER ML
ACTED AS AGENT

SEE ABOVE FOR TRANSACTION DETAILS

Payment for securities or other investment purchased, and delivery of securities or other investments instruments sold, are due on SETTLEMENT DATE unless otherwise indicated by a DATE DUE. Delivery on or before settlement date will avoid premium charges. Please preserve this confirmation for income tax purposes. If submitting payment or correspondence, please write your account number, shown on the bottom of this page, and forward to "Merrill Lynch Office Serving your Account", shown on top right of page 1. If you have moved or plan to move, notify your Financial Advisor of your new address.

Account Number: 838-89178

Date: 07/10/2009

Page 1 of 2